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Diplomatic Controversy
over the
Shantung Peninsula
and
The Harbor of Kiao Chau

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Japan's ultimatum to Germany in 1914 brought Kiao-chau into the foreground of public attention, but before that for many years it had been an objective in diplomatic controversy. The latest phase is its appearance in the Versailles covenant in which its possession is continued to Japan over the protest of China. Hardly known in this country except to the occasional traveler, the student of Oriental movements or to diplomats, Kiao-chau has played a most peculiar part in the great drama of the Far East. To what extent it has influenced the pages of history and the course of war it is impossible definitely to state, but it has been an important stake in the world's game of politics in which the nations have been so long engaged in China.

It was toward Kiao-chau and not toward Port Arthur that Russia turned for her long desired and not yet realized open port on the Pacific. Thwarted in this by Germany's coup in 1897, Russia's next choice was Port Arthur, securing which she crowded upon the interests of Japan, and thus involved herself in the Russo-Japanese war, at the close of which, under the treaty of Portsmouth, she lost Port Arthur and the Russian eyes were turned again toward North China and the Shantung peninsula.

Long before the Trans-Siberian Railroad was completed Russia's program involved, first, the construction of a link in that railroad system as it was designed, crossing Chinese Manchuria, on the way to Vladivostok; second, the harbor of Kiao-chan for the Russian fleet; third, the construction of a railroad to connect with the Trans-Siberian line near Lake Baikal in Siberia and passing southward through Chinese Mongolia to Peking. The Chinese Government for a long time was not inclined to give favorable consideration to these projects. When Count Cassini became the Russian minister to Peking he established exceedingly close personal relations with Li Hung Chang, who was by far the ablest and perhaps the most influential man then in Chinese public life. The coronation of the Czar, 1895-6, was seized upon as an occasion for strengthening Russian influence in China; Count Cassini presented an invitation to the imperial government of China and urged that a prince of the royal blood should represent it at the coronation services in Moscow. It was found that custom raised some objection to a member of the royal family leaving the imperial domains, and, as Russia perhaps foresaw, Li Hung Chang was designated the royal substitute and made the official representative.

Li Hung Chang's reception in Moscow was princely and he was accorded an exalted place and given highest consideration among the representatives of royalty assembled for this august occasion. The Russian authorities, however, did not overlook the opportunity to discuss the Far Eastern questions with their guest. Upon Li Hung Chang's return to Peking there was a marked change in the attitude of China toward Russia. The Russian railroad and territorial program was no longer opposed. It was then asserted and since has been well established that at Moscow Li concluded a secret treaty with Russia, the terms of which had theretofore been tentatively agreed upon with Count Cassini in Peking, from which it has been designated the Cassini convention. Pressed by other nations the Chinese Government gave out an official denial of the existence of such a treaty; but this denial fell in the light

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of subsequent affirmations of all its principal features. Under its terms Russia secured a lease of Kiao-chau and the right to construct a railroad across northern Manchuria, thus uniting the two parts of the Trans-Siberian Railroad into a complete transcontinental system from Vladivostok to Moscow. The construction of a railroad across Mongolia from Lake Baikal to Peking was said to be included, and for which, in 1900, Russian surveyors were engaged in mapping a route.

If one will take a pencil and on a map of Siberia, Mongolia and North China, draw a straight line from some point on the Trans-Siberian Railroad near Lake Baikal to Peking it will pass through Urga, the capital city of Mongolia, the home of the "living Buddha"; it will cross the great Mongolian desert of Gobi and then touch Kalgan near the outer Great Wall of China; continuing the line beyond Peking toward the east *it will reach the shore of the Yellow sea at Kiao-chau.* The harbor of Kiao-chau is ideal; it is almost land locked with two points at the entrance jutting outward and two points jutting inward admirably adapted for fortification. The bay is fifteen miles across and has deep-water anchorage. Situate in latitude 36 longitude and 120 on the southern shore of the Shantung peninsula, it is open all the year. Its position further south on the Yellow sea and nearer the Pacific gives it many geographical advantages over Port Arthur. It was with the wisdom of careful selection that Russia made it her choice in her search for an open port in the Far East; a choice which she supposed she had made effective. The necessities of Russia in the Far East were apparent; (a) a transcontinental railroad to the port of Vladivostok and (b) an open ice free port as a naval base and entrepot from which she might operate at all times. These were provided for in the Cassini convention.

Notwithstanding the Chinese Government's assurance that no such treaty had been made, its terms became well known, and followed, no doubt, very closely the text of the copy published in the North China Daily News on October 30, 1896, Article IX of which, relating to Kiao-chau, is as follows:

"Russia has never possessed a seaport in Asia which is free from ice and open all the year around. If, therefore, there should suddenly arise military operations in this continent, it will naturally be difficult for the Russian eastern seas and Pacific fleets to move about freely and at pleasure. As China is well aware of this, she is willing to lease temporarily to Russia the port of Kiao-chau, in the province of Shantung, the period of such lease being limited to fifteen years. At the end of this period China shall buy all the barracks godowns, machine shops and docks built there by Russia (during her occupancy of the said port). But should there be no danger of military operations, Russia shall not enter immediately into possession of the said port or hold the important points dominating the port, in order to obviate the chance of exciting the jealousy and suspicions of other powers."

Coincident with the activities leading up to the Cassini convention was the interest which Russia again evidenced in the construction of a railroad connecting at or near Lake Baikal with the Trans-Siberian Railroad. Mr. Kent (Railway enterprise in China, 1907) says:

"Some years ago the Russians had a scheme for a branch from the Trans-Siberian Railway by way of Urga and Kalgan to Peking. A flying survey was made at the time, and it was found that virtually the only engineering difficulties would be experienced in the crossing of the Yablonoi Mountains north of Urga."

This was the Asiatic situation in 1896. It will be remembered that following the coronation at Moscow, Li Hung Chang, in the progress of his journey, visited Germany. It was suspected there that valuable rights had been obtained by Russia, and, notwithstanding Li's denials, Germany became convinced. "It was then (1896) that the occupancy of Kiao-chau by Germany was agreed upon in principle," says Mr. Kent, and Germany awaited a favorable opportunity. It was not the murder of the German minister, Baron Von Kettler,

by the imperial soldiers in the Boxer uprising, as ex-President Taft recently stated, but the killing of two missionaries by Chinese bandits on November 14, 1897, which furnished the pretext, and Admiral Von Diedrick, commander-in-chief of the German squadron in eastern waters, took possession of the heights surrounding the bay, and Germany demanded, and later received from China (1898) a ninety-nine year lease of Kiao-chan, and on the same day secured a valuable railroad concession assuring her dominance in the Shantung peninsula. This sudden projection of Germany into the realm of North China politics was not welcomed by any of the nations having interests. Russia's surprise and chagrin was pronounced because it thwarted her ambition and destroyed the consummation of her plans just at the moment of their maturity. It placed another factor to be considered and dealt with in a zone which Russia and Japan, and, in a less active way, England had considered their own.

A Russian newspaper, *Novosti*, reflected the popular feeling, not only of Russia but of Japan, when it said concerning the seizure of Kiao-chan:

"This event will perhaps form a starting point for a decision in the Far East question. Everything depends on whether the Germans remain in the occupied town or decide to give it up again. If the occupation should be a lasting one, Russia must take immediate steps to safeguard her life interests in China. Of all the colonial struggles heretofore undertaken by Germany, this one with China is by far the most important, as it brings her into contact with the interests of Russia and Japan.

"It is in no way desirable for these two states that Germany should establish herself in their close proximity and force herself into what is to a certain extent their sphere of influence. Moreover, if Germany is not deterred by protests on the part of the other powers, the occupation of Kiao-chan will form a very convenient excuse to ask the Reichstag to grant a further increase of the navy.

"Russia especially can learn a lesson by the occupation

of Kiao-chan by German troops and it can well serve as an example. Russia stands greatly in need of a port free from ice in these regions. The Chinese Government will never of its own free will place a port at their disposal in gratitude for services rendered. If, therefore, Germany declines to evacuate Kiao-chan, Russia, on her side, will have every right to occupy, in retaliation, some portion of Chinese territory."

Following the lease Germany began immediately to fortify the harbor and make it her naval base in the Far East. The Reichstag granted 5,000,000 marks for that purpose and followed it shortly after with another grant of 3,500,000 marks. A German company, "Shantung Eisenbahn Gesellschaft," with a capital of 50,000,000 marks, undertook the railroad construction in the Shantung peninsula. The leased area comprised about 117 square miles and a wider zone over which the Chinese might issue no ordinances without the consent of Germany. The port town of Tsing-tao was soon connected by rail with Chinan-fu, a junction of Peking. This seizure by Germany of Kiao-chan under a very flimsy pretext, while as easily justifiable as the territorial aggressions of the other nations in China, was resented by Russia and Japan and not liked by England. The opposition to Germany's act, it must be admitted, was not because it violated any code of ethics for which the other nations contended, but because they felt that the field for European activity in northern China had been preempted by them. The weight of this act in the world movement is, of course, impossible to determine, but it must be considered as influencing in considerable measure at least the attitude of Russia, Japan and England in the recent struggle.

Japan viewed the movement of Germany with as much disfavor as did Russia, for though Russia and Japan were contesting openly or secretly every step and inch of ground within the conflicting area of their self-determined zones of influence, they looked with more ill-will upon the advent of a third party than they did upon the claims of each other. This, so far as Japan was concerned, was none

the less because Germany, in company with Russia and France, had despoiled her of the fruits of victory in her war with China, by compelling the surrender of Port Arthur, which Japan had by conquest and treaty secured from China, Germany's aggressive manner being particularly objectionable. The "advice" which Japan (August, 1914) submitted to Germany to give up Kiao-chau, by almost exact phraseology, it is said, followed the "advice" which Germany gave Japan at an earlier date and which constrained the latter to cede back Port Arthur to China. There is at least grim humor in Japan's ultimatum.

In the scramble for position following Germany's seizure of Kiao-chau, England (1898) obtained a lease of Wei Hai Wei, situate on the Shantung peninsula near the entrance of the Gulf of Pechili. A secret agreement between Germany and China with respect to the Shantung province deprived England of any commercial advantages by this acquisition. Wei Hai Wei was valueless. Germany having entrenched herself at Kiao-chau and Russia being thus blocked in her Far Eastern program, immediately (1898) demanded and received from China the concession at Port Arthur, which Japan had been forced to surrender. With it Russia obtained the right to construct the Manchuria railroad to connect with the Trans-Siberian road at Harbin. Russia immediately proceeded to make of Port Arthur what she had intended to make of Kiao-chau. The weight of Russia's forward movement was thus transferred from China proper to Japan. It, of necessity, placed a heavier pressure upon and no doubt endangered Japan's interests in Korea and the Liao-Tung peninsula of Manchuria. Japan viewed the encroachment of Russia with alarm, and this ultimately brought on war. Thus the war between Japan and Russia was influenced, if not precipitated, by Germany's act in seizing Kiao-chau. The victory of Japan was followed by the treaty of Portsmouth, under which Russia gave up her lease and possession of Port Arthur. Once more Russia's plan for an ice-free port was thwarted. The swing of Russia's pendulum was again toward China proper.

Strange to say, the Russo-Japanese war left no apparent feeling of ill-will between the nations engaged in it; it was never popular in Russia and Japan could afford the generosity of the victor. Out of it one who looks deeper than the surface discerned evidences of a very close affiliation predicted upon a probable agreement with respect to their future control of and activities in North China, Manchuria and Mongolia.

The ultimatum to Germany was directly inspired by Great Britain and grew out of the obligations of the Anglo-Japanese alliance. The primary purpose, of course, so far as England was concerned, was to cripple Germany in the Pacific and safeguard her own shipping and insular and continental colonial possessions in that part of the world by depriving Germany of the necessary naval base from which to operate. A second consideration in which Russia, Japan and England would, of course, be united was to drive Germany from a position where she could in any wise interfere with their commercial and territorial activities in the Orient. The third, of course, must be left to the future, and concerns Japan and Russia and now for the moment Japan alone. That which was formerly a mere inference has become certain by the revelation made of Russia's diplomatic secrets. Russia and Japan were in thorough accord and had so separated their plans with respect to China, Manchuria and Mongolia that they no longer conflicted. Russia's advance would be through Mongolia and Japan's in Manchuria.

The old Russia would not have given up her age-long purpose to obtain an open port on the Pacific. Did the demand upon Germany to surrender Kiao-chau to Japan foreshadow that the goal of Russia's ambition, through the assistance of Japan, would be attained? Would Japan have surrendered it to Russia in exchange for Russian support in Manchuria and perhaps Korea? Now that the Russian revolution has made Russia no longer an immediate factor in the Far Eastern problems, will Kiao-chau be of greater or of less value to Japan? The Russo-Japanese agreement of 1910

was of far-reaching importance; of its supplementary clauses not made public Mr. Bland says: "Japan has guaranteed to Russia a free hand in Mongolia in compensation for her annexation of Korea. On the whole it betokens a complete understanding and harmonious purpose with respect to China. On June 11, 1910, Sir Edward Grey, in the House of Commons, seemed to put the seal of English approval on the Russo-Japanese entente by his announcement "that Russia and Japan has special interests in Mongolia and Manchuria." In 1911 northern Mongolia attempted to throw off Chinese sovereignty. How far the Russian traders at Urga and Kiakta influenced the tribal chiefs to this act cannot definitely be told. Russia mediated and secured a recognition of north Mongolian autonomy; China's hold upon Mongolia was consequently weakened, while that of Russia was correspondingly strengthened. In March, 1912, the so-called "Belgian" loan was hurriedly made to China. It provided immediately for one million pounds sterling, and optionally for nine millions more. The security demanded and received was the Peking-Kalgan Railroad, a part of the Mongolia line to Lake Baikal. It was soon disclosed to the other powers and at all times known to China that the "Belgian" loan was really a Russian undertaking, political in its origin. Says Mr. Bland: "The Peking representative of the Russo-Asiatic bank stated openly at the time that, although the Belgian bank had been put forward to sign the agreement, he had in fact negotiated it himself under instructions from the Russian minister of finance."

Be that as it may, the railroad project, which for many years appeared on the maps as in the course of construction, in which Russia, prior to the German seizure of Kiaochau, was much interested, but which during Russian occupancy of Port Arthur lay dormant, was at the outbreak of the war being revived. It is still on China's program and involves when completed a railroad via Kalgan to Urga in Mongolia. 124 miles of the railroad were finished and opened for traffic in 1909. The rails for 120 miles north of Kalgan have

since been laid, although the road has not been formally opened for traffic. In July, 1914, carloads of rails were being shipped through the Nankow pass and Kalgan for this extension. It is, of course, not possible to speak in other than terms of conjecture, but such a railroad from Lake Baikal to Peking, opening up Mongolia, would, both in time and miles, be shorter than the existing routes to Vladivostok or Darien. It would strengthen materially Russia's position in Mongolia and aid her advance to the open sea. That this railroad activity was influenced by Russia need hardly be doubted. Mr. Skrine (Russia) says: "Russia again took up the survey of the Trans-Siberian Railroad to connect with some point 120 miles east of Lake Baikal." Russia safeguarded her interest in the Peking-Kalgan Railroad by an understanding with China, that it shall not be submitted to foreign control. There appeared to have been an intimate connection between Russia's railroad and territorial activity in Mongolia and Japan's ultimatum to Germany with respect to the port of Kiao-chau. The value of Kiao-chau to Japan either for retention or disposition will depend upon the future of Russia and her influence as a world power, but at present, at least, Japan does not need Kiao-chau as a pawn with which to secure her hold upon Manchuria, for Russia is for the time being eliminated. It is the hazard of an opinion, but I venture it, that Japan will not seek to retain for any considerable time control over Kiao-chau or of the Shantung peninsula.



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